

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF WESTERN LEWIS-)
RECTORVILLE WATER AND GAS DISTRICT) CASE NO. 92-331-Y

ORDER

On May 12, 1993, in Case No. 92-331, the Commission approved adjustments to the rates of Western Lewis-Rectorville Water and Gas District (Western Lewis) to recover its purchased gas cost on a quarterly basis in accordance with the provisions of its gas cost adjustment (GCA) clause.

On May 26, 1999, Western Lewis filed its GCA to be effective from July 1, 1999 to October 1, 1999.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. In its notice, Western Lewis proposed revised rates to pass on its expected increase in gas costs to its customers. Western Lewis s proposed expected gas cost (EGC) is \$4.0160 per Mcf. Western Lewis did not use its line loss-adjusted Mcf purchase of 52,418 to calculate its Total Expected Gas Cost. Correcting for this error produces an EGC of \$3.7517 per Mcf, an increase of 47.57 cents per Mcf from the prior EGC.

2. Western Lewis s notice set out no refund adjustment.

3. Western Lewis's proposed current actual adjustment (AA) is 16.37 cents per Mcf. Western Lewis incorrectly set out its over-recovery for each month as under-recoveries and failed to carry out the per Mcf unit cost of gas to the fourth decimal point. The current quarter AA should be (16.23) cents per Mcf, which reflects a total cost difference for January, February, and March 1999 of (\$8,083). The total AA of (15.01) cents per Mcf reflects the current net over-recovery, as well as previous quarters under- and over-recoveries, which the Commission corrected to the adjustments allowed for those quarters. The total AA represents a 21.55 cent per Mcf increase from the previous quarter total AA.

4. Western Lewis's notice set out a current balance adjustment (BA) of 5.22 cents per Mcf to reconcile a previous quarter AA. The second previous quarter BA should be (.14) cents per Mcf, and the third previous quarter BA should be (5.42) cents per Mcf, as approved previously by the Commission. The total BA should be .97 cent per Mcf, an increase of 3.94 cents per Mcf from the previous total BA.

5. These combined adjustments produce a corrected gas cost recovery rate (GCR) of \$3.6113 per Mcf, 73.06 cents per Mcf more than the prior rate of \$2.8807.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after July 1, 1999.

IT IS THEREFORE ORDERED that:

1. Western Lewis's proposed rates are denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after July 1, 1999.

3. Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 30th day of June, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 92-331-Y DATED JUNE 30, 1999

The following rates and charges are prescribed for the customers served by Western Lewis Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Customer Charge	\$1.00 per month		
<u>Monthly usage</u>		Gas Cost Recovery Rate	<u>Total</u>
	<u>Base Rate</u>		
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$3.6113	\$7.5996
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	3.6113	5.0678
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	3.6113	5.0083
Over 10,000 cubic feet per	1.2228	3.6113	4.8341